



STATE BOARD OF EQUALIZATION

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No. 78/57

April 3, 1978

TO COUNTY ASSESSORS:

CONVERSION OF A MOBILEHOME TO A BUILDING

Following is the text of memorandum the Department of Motor Vehicles (DMV) issued on December 17, 1977, to mobilehome dealers, banks, finance companies, and credit unions.

"When a mobilehome is converted to a building and is declared by the owner to be an improvement to real property, it ceases to be a vehicle and all outstanding evidence of vehicle ownership and registration becomes invalid and shall be surrendered to the department for cancellation. (The department does not title or register buildings.)

"1. New Mobilehome Converted to a Building

- a. When a dealer sells a new mobilehome that the purchaser plans to place on a permanent foundation and convert to a building, the dealer shall issue a New Vehicle Report of Sale and collect 12 months of vehicle registration and vehicle license fees in the usual manner. During that registration year, if the vehicle is subsequently placed on a permanent foundation and has been accepted by the county assessor as an improvement to real property, the ownership certificate, registration card, and any other registration indicia issued for the mobilehome shall be surrendered to the department for cancellation.
- b. When a new mobilehome has been placed on a permanent foundation and is accepted by the county assessor as an improvement to real property prior to the sale to a retail purchaser, it is not a vehicle at the time of sale, and a dealer's report of sale is not required.

"2. Used Mobilehome Converted to a Building

A used mobilehome that is currently registered may be placed on a permanent foundation and when accepted by

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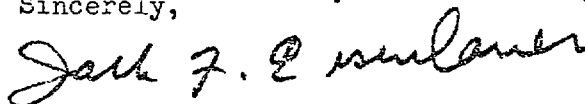
the county assessor as an improvement to real property, it is no longer a vehicle and all vehicle ownership and registration indicia shall be surrendered to the department for cancellation."

Based on the above memorandum by the Department of Motor Vehicles you could be approached by mobilehome owners requesting your acceptance of their former mobilehomes as improvements to real property. When this occurs, we suggest you obtain an affidavit signed by the owner certifying that his mobilehome has been placed upon a permanent foundation. You should then proceed to enroll it as an improvement.

As a courtesy to the mobilehome owner, you may wish to caution him that by converting the property from a vehicle to a residential structure it may be subject to expensive modification to satisfy local building code requirements. He should also be cautioned that an excuse from vehicle license fee without a subsequent complete and bona fide conversion to a residential structure may render the property unlawful to occupy. (See Health and Safety Code, Section 18550, especially Section 18550(h); 58 Ops. Cal. Atty. Gen. 660.)

Please contact Bud Florence of this Division if you have any questions regarding the above.

Sincerely,



Jack F. Eisenlauer, Chief
Assessment Standards Division

JFE:ebv